Message Text

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ACTION ARA-10

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FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 6719

INFO AMEMBASSY SAN SALVADOR

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AMEMBASSY GUATEMALA

AMEMBASSY TEGUCIGALPA

CONFIDENTIAL MANAGUA 1458

EO 11652: GDS TAGS: ELAB, NU

SUBJECT: CONSTRUCTION STRIKE ENDS

REF MANAGUA 1283

1. THE CONSTRUCTION WORKERS UNION SCAAS FINALLY CALLED IT QUITS AFTER TWO MONTHS OF TRYING UNSECCESSFULLY TO ENFORCE A STRIKE FOR BETTER WAGES. SCAAS'S COMMUNIST CONTROLLED EXECUTIVE COMMITTEE ORDERED ITS MEMBERS BACK TO WORK MONDAY, APRIL 14, WITH NO CONCESSIONS FROM MANAGEMENT.

2. EVEN SCAAS LEADERS ADMITTED THAT IN LAST DAYS OF STRIKE ONLY ABOUT 1,000 OF ITS ESTIMATED 8,000 MEMBERS OBSERVED WALK-OUT WHICH BEGAN FEBRUARY 12. MANAGEMENT REPRESENTATIVES IN CHAMBER OF CONSTRUCTION (CNC) ARE MUCH ENCOURAGED AT SUCCESS OF THEIR HARDLINE APPROACH TO STRIKE, AND AT PROSPECTS FOR BREAKING SCAAS HOLD ON INDUSTRY. SPOKESMAN FOR GROUP TOLD EMBOFF THAT COMPANIES WILL OFFER NO WAGE INCREASES IN UPCOMING NEGOTIATIONS TO RENEW TWO-YEAR COLLECTIVE BARGAINING CONTRACT WHICH EXPIRES JULY 23. THOSE NEGOTIATIONS WILL BE REAL TEST OF WHETHER SCAAS, WHICH EMERGED AFTER EARTHQUAKE AS MOST POWERFUL LABOR GROUP IN NICARAGUA, HAS REALLY LOST ITS CLOUT. RANK AND FILE ARE MUCH MORE LIKELY TO SUPPORT UNION WHEN HIGHLY ADVANTAGEOUS TERMS OF CURRENT CONTRACT ARE ON LINE CONFIDENTIAL

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THAN OVER POORLY SUPPORTED DEMANDS FOR HIGHER WAGES AT ISSUE IN

THIS DISPUTE.

3. OFFICIAL CIRCLES GREETED NEWS OF STRIKE'S END WITH CONSIDERABLE ENTHUSIASM. APRIL 14 EDITION OF SOMOZA-OWNED NOVEDADES COULD HARDLY CONTAIN ITS JUBILATION IN PROCLAIMING "FAILURE" OF STRIKE. POTENTIAL OF SCAAS AS ANTAGONISTIC POLICTICAL FORCE HAS BEEN NAGGING PROBLEM FOR GOVERNMENT SINCE PROLONGED STRIKE CONFRONTATIONS OF 1973 WHEN CONSTRUCTION WORKERS FACED DOWN GON AND WON UNPRECEDENTED CONCESSIONS FROM CNC. POSSIBILITY OF SCAAS DECLINE RECEIVED WITH SPECIAL RELISH BY SOMOZA SUPPORTERS BECAUSE IT CONSTITUTES MAJOR MASS ORGANIZATION IN UNITED OPPOSITION GROUP UDEL.

4. SCAAS LEADERS FOR THEIR PART ARE REPORTED IN OPPOSITION LA PRENSA AS PUTTING BEST FACE ON SITUATION SAYING THAT CONCLUSION OF STRIKE SHOULD NOT BE INTERPRETED AS DEFEAT SINCE IT WAS OPPORTUNITY TO CONSOLIDATE THEIR OLD MEMBERS' FIGHTING SPIRIT AND TO RAISE THE UNION CONSCIOUSNESS OF THOUSANDS OF NEW MEMBERS. SCAAS, NOT YET TO BE COUNTED OUT, WILL OBVIOUSLY BE GIRDING ITS LOINS FOR SECOND ROUND OF BATTLE THIS SUMMER IN CONTRACT NEGOTIATIONS.

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